

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TENNESSEE
NORTHEASTERN DIVISION

In re:)
) Case No.: 2:09-BK-50259
APPALACHIAN OIL COMPANY, INC.)
) Chapter 11
Debtor.)

U. S. TRUSTEE'S OBJECTION TO
DEBTOR'S DISCLOSURE STATEMENT

The U. S. Trustee, in furtherance of the administrative responsibilities imposed under 28 U.S.C. § 586(a), hereby submits that the debtor's Disclosure Statement is deficient in the following respects:

1. Liquidation Analysis - The liquidation analysis provided in the Disclosure Statement provides a scale and sample calculation of Trustee fees that might be incurred in a Chapter 7 liquidation versus the proposed Chapter 11 liquidation. The Disclosure Statement does not include an estimate or projection of total assets that may be recovered as a result of the preference and Titan Global Holdings litigation. Without this information, Chapter 7 Trustee fees cannot be estimated. Nor is there an estimate of probable wages that will be paid to Mr. Weber the chief restructuring officer, during the pendency of the Chapter 11 liquidating plan. Mr. Weber's wages must be disclosed for purposes of comparison with the Chapter 7 Trustee fees in the liquidation analysis.

Wherefore, the U. S. Trustee asserts that without the above information the Disclosure Statement does not contain adequate information as required by 11 U.S.C. § 1125(a), which would permit a party in interest to reach an informed judgment concerning the Plan of

Reorganization. See generally, *In re Scioto Valley Mortgage Co.*, 88 B.R. 168 (Bankr. S.D. Ohio 1988).

Respectfully submitted,

Richard F. Clippard
United States Trustee, Region 8

/s/ Patricia C. Foster
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CERTIFICATE OF SERVICE

I hereby certify that a on November 6, 2009 a copy of the foregoing Objection of U. S. Trustee to Debtor's Disclosure Statement was electronically filed in the captioned matter and notice was sent to all parties below either by first class, U.S. Mail, postage paid or by Notice of Electronic Filing, as indicated.

Mark Dessauer, for the Debtor Electronically
Mark Esposito, for Empire Electronically
Jonathan Gold, for Empire Electronically
Glenn B. Rose, for Greystone Business Credit II Electronically
Stephen B. Gerald, Unsecured Creditors Committee Electronically

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